



## Iowans for Tax Relief Mourns the Passing of Senator Richard Drake: The Commander Championed Fiscal Responsibility

### SENATOR DRAKE LED THE SENATE EFFORT IN 1997 TO REDUCE INCOME TAXES FOR EVERY IOWAN BY 10%:

The Board of Directors, staff, and members of Iowans for Tax Relief mourn the passing of former State Senator Richard Drake this past Saturday. Senator Drake retired from the Iowa Senate in 2004 after nearly four decades of dedicated service to the people of Iowa. He was 80.

Prior to his service in the Iowa Legislature, Senator Drake graduated from the United States Naval Academy and served his country with honor, eventually as Commander of his own naval vessel. As a result, many of those closest to him in and around the Legislature affectionately referred to him as "The Commander".

Richard Drake was a strong fiscal conservative who is perhaps best known for his work as an advocate for the building of our state's superior infrastructure of roads and bridges. Senator Drake understood the key link between a quality transportation system and the ability to attract business development and create high quality jobs for Iowans.

Perhaps somewhat less known was his advocacy for limited government, fiscal responsibility, and dedication to keep hard earned income in the hands of the families that earned it.

In 1997 Senator Drake served as the floor manager of the single largest tax reduction ever adopted in the state's long history. That legislation successfully reduced income taxes for every Iowa income taxpayer, regardless of income, by 10%.

This year alone that tax reduction will save Iowa families in excess of \$300 million and has saved Iowa taxpayers, collectively, over \$2 billion since its adoption in 1997.

Our thoughts and prayers are with his wife, Shirley Jean, their children, and the entire Drake family.

### **"PROPERTY TAX RELIEF" MEASURE EXPOSED AS NOTHING MORE THAN A SPENDING SHIFT:**

When the Iowa Senate recently passed Senate File 2023 (<http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=BillInfo&Service=Billbook&ga=82&menu=text&hbill=SF2023>) on a 46-0 vote, the media releases proclaimed a victory in the battle to lower property taxes and a first step toward meaningful property tax relief this Session. Unfortunately, upon further examination by some strong taxpayer advocates in the Iowa House, SF 2023 has been exposed as a funding shift, not additional resources for property tax relief.

Even if the \$1.3 million of revenue in SF 2023 were actually new resources dedicated to property tax relief, the saving for most taxpayers would amount to pennies -- certainly not enough to merit headlines and news stories with false promises of "property tax relief".

Representative Steve Lukan (R-New Vienna) alerted Iowans for Tax Relief to the deception and is leading the effort to expose SF 2023 as a simple funding shift rather than true property tax relief. According to the Legislative Fiscal Agency, the impact of SF 2023 would be to move this funding from the Property Tax Credit Fund (a property tax relief fund that allocates resources to all 99 counties) to the Mental Health Risk Pool (a fund that assists counties that have run out of resources to pay for mental health services).

In reality, SF 2023 **removes** funds that are currently used for property tax relief and places them in a fund that will **spend** them on mental health services. **This means less property tax relief and more spending.**

## “PROPERTY TAX RELIEF” MEASURE EXPOSED, continued...

It is no wonder Iowa taxpayers are so distrustful of politicians and the media. The hype surrounding SF 2023 cried property tax relief and some media outlets ran with the story without doing their homework. The result is they and their readers/viewers/listeners were duped.

**SF 2023 is not property tax relief.** SF 2023 takes funds that were previously dedicated to direct property tax relief and reallocates them to additional state government spending.

**Iowans for Tax Relief OPPOSES SF 2023.**

### OTHER LEGISLATION WE ARE CURRENTLY TRACKING:

**HOUSE FILE 2066** <http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=BillInfo&Service=Billbook&ga=82&menu=text&hbill=HF2066>

HF 2066 is the proposed legislation to replace the current local option tax for school infrastructure with a permanent statewide sales tax.

HF 2066 has been assigned to the House Education Committee and has, also, been assigned to a subcommittee that includes: Rep. Roger Wendt (D-Sioux City), Rep. Ako Abdul-Samad (D-Des Moines), Rep. Royd Chambers (R-Sheldon), Rep. Dennis Cohoon (D-Burlington), and Rep. Jeff Kaufmann (R-Wilton).

**Iowans for Tax Relief OPPOSES HF 2066 (see the January 25, 2008 edition of *The Watchdog* [www.taxrelief.org/reports/30/watchdog\\_01-25-08.pdf](http://www.taxrelief.org/reports/30/watchdog_01-25-08.pdf)).**

**SENATE FILE 2024** <http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=BillInfo&Service=Billbook&ga=82&menu=text&hbill=SF2024>

SF 2024 is proposed legislation that would double the amount distributors are forced to pay to those who accept empty beverage containers currently covered by Iowa's bottle deposit law. The additional cost to Iowa businesses who distribute beverages in such containers would be \$15 million.

Perhaps more troublesome, SF 2024 provides a vehicle through which Governor Culver could attempt to impose his plan to increase the bottle deposit from five cents to 10 cents, with only eight cents being redeemed to the consumer upon the return of the empty beverage container. This “non refundable deposit” would cost Iowans an additional \$40 million and is strongly opposed by Iowans for Tax Relief (see the January 18, 2008 edition of *The Watchdog* - [www.taxrelief.org/reports/29/watchdog\\_01-18-08.pdf](http://www.taxrelief.org/reports/29/watchdog_01-18-08.pdf)).

**Iowans for Tax Relief OPPOSES SF 2024.**

### STATE BUDGET

Iowans for Tax Relief will continue to monitor the progress of budget talks for Fiscal Year 2009. According to estimates of the budget proposals from Governor Culver, Iowa faces a budget deficit of \$350 million for FY 09 that Governor Culver attempts to fill with tax increases and spending shifts of one-time money (shifting gambling revenue from infrastructure spending to the general fund, taking revenue from the sale of tobacco bonds, and transferring revenue from the Health Iowans Tobacco Trust).

In addition, the Legislative Fiscal Agency said that while \$183 million will be repaid to the Senior Living Trust Fund, under current projections, that fund will be completely drained by the end of FY 09. Watch for future editions of *The Watchdog* to track budget progress and what it means for Iowa taxpayers.

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The Watchdog is a weekly update of issues which are being considered by the Iowa Legislature. It is a service to members of Iowans for Tax Relief. Permission is granted to forward this to any interested individuals.

Comments or questions concerning The Watchdog should be directed to:  
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